



Fact Sheet Social Security 2005 SOCIAL SECURITY CHANGES

Cost-of-Living Adjustment (COLA):

Based on the increase in the Consumer Price Index (CPI-W) from the third quarter of 2003 through the third quarter of 2004, Social Security beneficiaries and Supplemental Security Income (SSI) recipients will receive a 2.7 percent COLA for 2005. Other important 2005 Social Security information is as follows:

<i>Tax Rate</i>	<i>2004</i>	<i>2005</i>
Employee	7.65%	7.65%
Self-Employed	15.30%	15.30%
NOTE: The 7.65% tax rate is the combined rate for Social Security and Medicare. The Social Security portion (OASDI) is 6.20% on earnings up to the applicable taxable maximum amount (see below). The Medicare portion (HI) is 1.45% on all earnings		

<i>Maximum Earnings Taxable</i>	<i>2004</i>	<i>2005</i>
Social Security (OASDI only)	\$87,900	\$90,000
Medicare (HI only)	No limit	

<i>Quarter of Coverage</i>	<i>2004</i>	<i>2005</i>
Earnings required	\$900	\$920

Retirement Earnings Test Exempt Amounts:

	<i>2004</i>	<i>2005</i>
Under full retirement age NOTE: One dollar in benefits will be withheld for every \$2 in earnings above the limit.	\$11,640/yr. (\$970/mo.)	\$12,000/yr. (\$1,000/mo.)
The year an individual reaches full retirement age NOTE: Applies only to earnings for months prior to attaining full retirement age. One dollar in benefits will be withheld for every \$3 in earnings above the limit. There is no limit on earnings beginning the month an individual attains full retirement age (based on year of birth).	\$31,080/yr. (\$2,590/mo.)	\$31,800/yr. (\$2,650/mo.)

<i>Social Security Disability Thresholds</i>	<i>2004</i>	<i>2005</i>
Substantial Gainful Activity (SGA)		
Non-Blind	\$ 810/mo.	\$ 830/mo.
Blind	\$1,350/mo.	\$1,380/mo.
Trial Work Period (TWP)	\$ 580/mo.	\$ 590/mo.

Maximum Social Security Benefit: Worker Retiring at Full Retirement Age in	2004	2005
Note: For retirees born in 1939, full retirement age is 65 and 4 months; for those born in 1940, it is 65 and 6 months. Full retirement age will gradually increase to age 67 for those born in 1960 or later	\$1,825/mo. (Age 65 and 4 months)	\$1,939/mo. (Age 65 and 6 months)

SSI Federal Payment Standard:	2004	2005
Individual	\$564/mo.	\$579/mo.
Couple	\$846/mo.	\$869/mo.

SSI Resources Limits:	2004	2005
Individual	\$2,000	\$2,000
Couple	\$3,000	\$3,000

SSI Student Exclusion Limits:	2004	2005
Monthly Limit	\$1,370	\$1,410
Annual Limit	\$5,520	\$5,670

Estimated Average Monthly Social Security Benefits Payable in January 2003:		
	Before 2.7% COLA	After 2.7% COLA
All Retired Workers	\$ 930	\$ 955
Aged Couple, Both Receiving Benefits	\$1,532	\$1,574
Widowed Mother and Two Children	\$1,927	\$1,979
Aged Widow(er) Alone	\$ 896	\$ 920
Disabled Worker, Spouse and One or More Children	\$1,458	\$1,497
All Disabled Workers	\$ 871	\$ 895